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**PROJECT CELEBRATION, INC.
MANY, LOUISIANA
FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2000**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Louisiana Department of Transportation and Development, where appropriate, at the office of the parish clerk of court.

Release Date 2-21-01

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
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JUNE 30, 2000

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PROJECT CELEBRATION, INC.
MANY, LOUISIANA
BOARD OF DIRECTORS
JUNE 30, 2000

President	Kenneth Ammons
First Vice-President	Angela Collins
Second Vice-President	Floyd Giblin
Secretary/Treasurer	Barbara Peterson
Board Members	Polly Dappen Ruby Collier Jim House Rev. Charles Crews

Executive Director	Margaret Basco
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CERTIFIED PUBLIC ACCOUNTANTS

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1926-1999

INDEPENDENT AUDITORS' REPORT

Board of Directors
Project Celebration, Inc.
Many, Louisiana 71449

We have audited the accompanying statement of financial position of the Project Celebration, Inc., (a non-profit organization) as of June 30, 2000, and the related statements of activities, cash flows, and functional expenses for the year then ended. These financial statements are the responsibility of Project Celebration's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Project Celebration, Inc., as of June 30, 2000, and the changes in its net assets, cash flows, and functional expenses for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated December 14, 2000, on our consideration of Project Celebration, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Hines, Jackson & Hines
Natchitoches, Louisiana
December 14, 2000

EXHIBIT A

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2000

ASSETS	
CURRENT ASSETS	
Cash	\$ 51,566
Accounts receivables	33,527
Prepaid expenses	<u>2,450</u>
Total Current Assets	87,543
Equipment and leasehold improvements, net	<u>44,532</u>
Total Assets	<u>\$ 132,075</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Current portion of long-term debt	\$ 372
Current portion of lease obligation	1,735
Accounts payable	<u>12,083</u>
Total Current Liabilities	14,190
Long-term debt, net of current portion	2,830
Lease obligations, net of current portion	<u>500</u>
Total Liabilities	17,520
NET ASSETS	
Unrestricted	37,040
Temporarily restricted	<u>77,515</u>
Total Net Assets	<u>114,555</u>
Total Liabilities and Net Assets	<u>\$ 132,075</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT B

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2000

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
UNRESTRICTED NET ASSETS			
Support			
Contributions	\$ 1,302	\$ 8,380	\$ 9,682
Contract services	40,200	0	40,200
Grants and receipts from other governments	176,553	142,718	319,271
Interest	489	523	1,012
Other	<u>876</u>	<u>0</u>	<u>876</u>
Total Support	219,420	151,621	371,041
EXPENSES			
Program Services	185,308	116,159	301,467
Management and General	<u>31,122</u>	<u>23,681</u>	<u>54,803</u>
Total Expenses	<u>216,430</u>	<u>139,840</u>	<u>356,270</u>
CHANGE IN NET ASSETS	2,990	11,781	14,771
NET ASSETS, Beginning of year	<u>34,050</u>	<u>65,734</u>	<u>99,784</u>
NET ASSETS, End of year	<u>\$ 37,040</u>	<u>\$ 77,515</u>	<u>\$ 114,555</u>

The notes to the financial statements are an integral part of this statement.

EXHIBIT C

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2000

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 14,771
Adjustments to reconcile change in net assets to net cash used by operating activities	
Depreciation	7,656
(Increase)/decrease in operating assets	
Accounts receivables	(1,706)
Prepaid expenses	(522)
Increase/(decrease) in operating liabilities	
Accounts payable	(4,719)
Deferred income	<u>(7,000)</u>
Net Cash Provided By/(Used In) Operating Activities	8,480

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of equipment and leasehold improvements	<u>(4,571)</u>
Net Cash Provided By/(Used In) Investing Activities	(4,571)

CASH FLOWS FROM FINANCING ACTIVITIES

Principal payments on capital lease obligation	(1,061)
Principal payments on long-term debt	<u>(412)</u>
Net Cash Provided By/(Used In) Financing Activities	<u>(1,473)</u>

CHANGE IN CASH

2,436

CASH, Beginning of year

49,130

CASH, End of year

\$ 51,566

SUPPLEMENTAL DISCLOSURE

Cash paid during the year ended June 30, 2000 for interest was \$690.

The notes to the financial statements are an integral part of this statement.

EXHIBIT D

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2000

	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
EXPENSES			
Client expenses	\$ 10,401	\$ 0	\$ 10,401
Contract services	97,131	0	97,131
Depreciation	0	7,656	7,656
Insurance	0	3,623	3,623
Interest expense	0	690	690
Membership and dues	0	632	632
Material and supplies	13,578	0	13,578
Miscellaneous	1,627	0	1,627
Office expense	0	4,742	4,742
Payroll taxes	10,168	969	11,137
Principal's workshop	17,201	0	17,201
Rent	0	6,888	6,888
Repairs and maintenance	0	4,116	4,116
Salaries	132,910	12,665	145,575
Telephone	0	3,746	3,746
Travel and training	18,451	0	18,451
Utilities	0	8,706	8,706
Workman's compensation	0	370	370
Total Functional Expenses	<u>\$ 301,467</u>	<u>\$ 54,803</u>	<u>\$ 356,270</u>

The notes to the financial statements are an integral part of this statement.

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

REPORTING ENTITY

Project Celebration, Inc. (a non-profit organization) was incorporated June 12, 1989, for the purpose of promoting a chemical-free life style for the youth of Sabine Parish. In June 1996, Project Celebration began operating a domestic violence transitional home for women and children.

A. CASH

Consistent with FASB 95, Statement of Cash Flows, Project Celebration defines cash as not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the customer may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

B. RECEIVABLE

All receivables are reported at their gross value and, where, applicable, are reduced by the estimated portion that is expected to be uncollected.

C. ALLOWANCE FOR DOUBTFUL ACCOUNTS

Uncollectible amounts are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2000, \$0 were considered to be uncollectible.

D. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

Donations of equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire equipment are reported as restricted support. *When donor stipulations are absent regarding how long those donated assets must be maintained, Project Celebration reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.* Project Celebration reclassifies temporarily restricted net assets to unrestricted net assets at that time. Equipment are depreciated using the straight-line method.

E. NET ASSETS

Project Celebration has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, Project Celebration is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

F. PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give to Project Celebration that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2000

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. PROMISES TO GIVE (CONTINUED)

restrictions expire in the fiscal year in which the contributions are reported as increases in temporary or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

G. CONTRIBUTIONS

Project Celebration has elected to adopt Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made." In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

H. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

I. INCOME TAXES

Project Celebration is exempt from income taxes under Internal Revenue Code Section 501(c)(3).

NOTE 2 CASH

At June 30, 2000, Project Celebration had cash totaling \$51,566, as follows:

Petty cash	\$ 50
Interest bearing accounts	<u>51,516</u>
Total	<u><u>\$ 51,566</u></u>

At June 30, 2000, Project Celebration had \$46,033 in bank deposits. These deposits were secured from risk by \$46,033 of federal deposit insurance.

NOTE 3 EQUIPMENT AND LEASEHOLD IMPROVEMENTS

All equipment and leasehold improvements are stated at historical cost. Depreciation is charged as an expense against operations and has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	5-10 years
Leasehold improvements	Lesser of the term of the related lease or 27.5 years

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2000

NOTE 3 EQUIPMENT AND LEASEHOLD IMPROVEMENTS (CONTINUED)

A summary of property and equipment at June 30, 2000, is presented below:

	Cost	Accumulated Depreciation	Net	Depreciation This Year
Equipment	\$ 20,395	\$ 8,704	\$ 11,691	\$ 2,204
Leasehold improvements	55,516	22,675	32,841	5,452
Total	<u>\$ 75,911</u>	<u>\$ 31,379</u>	<u>\$ 44,532</u>	<u>\$ 7,656</u>

Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account is relieved, and any gain or loss is included in activities.

NOTE 4 LONG-TERM DEBT

Note payable, FmHA, bearing interest at 4.75 percent with month principal and interest payments of \$43, maturing June 2008.	\$ 3,202
Total Debt	3,202
Less: Current portion	(372)
Total Long-term Debt	<u>\$ 2,830</u>

NOTE 5 TEMPORARILY RESTRICTED NET ASSETS

At June 30, 2000, the temporarily restricted net assets balance of \$77,515 related to the domestic violence transitional home program.

NOTE 6 LEASE OBLIGATIONS

Project Celebration Office Building

On October 30, 1997, the owners of the office used by Project Celebration executed an usufruct agreement giving Project Celebration use of the building as long as the Organization is in existence.

Domestic Violence Transitional Home

On February 16, 1996, Project Celebration entered into a five year noncancellable operating lease of a building to use as the domestic violence transitional home. The lease also contains five one year renewal options. During the primary term of the lease, Project Celebration has an option to purchase the building for \$70,000.

The following is a schedule by year of future minimum rental payments required under the noncancelable operating lease as of June 30, 2000:

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2000

NOTE 6 LEASE OBLIGATIONS (CONTINUED)

Year Ending <u>June 30,</u>	<u>Amount</u>
2001	\$ <u>4,674</u>
Total minimum payments required	\$ <u>4,674</u>

Project Celebration records items under capital lease as an asset and an obligation in the accompanying financial statements. On November 30, 1999, Project Celebration entered into a capital lease with an original recorded amount of \$3,296 for the purchase of a computer. The lease term is for 24 months.

The following is a schedule of future minimum lease payments due under capital lease, together with the present value of the net minimum lease payment, as of June 30, 2000:

Year Ending <u>June 30</u>	
2001	\$ 2,081
2002	<u>520</u>
Total minimum lease payments	2,601
Less amount representing interest	<u>(366)</u>
Present value of minimum lease payments	\$ <u>2,235</u>

NOTE 7 EMPLOYEE RETIREMENT SYSTEM

All employees of the Project Celebration are protected by the Social Security System. All employees contribute 6.2% of their total salary to the system, while Project Celebration contributes a like amount. For the year ending June 30, 2000, total contributions to the system were \$18,052, of which Project Celebration contributed \$9,026 and employees contributed \$9,026. Total payroll covered by this system for the year ended June 30, 2000 was \$145,575. Any future deficits in this system will be financed by the Federal government. Project Celebration has no further liability to the system.

NOTE 8 LITIGATION

Project Celebration was not involved in any litigation at June 30, 2000.

NOTE 9 RISK MANAGEMENT

Project Celebration is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Project Celebration maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to Project Celebration.

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
JUNE 30, 2000

NOTE 10 CLAIMS AND JUDGEMENTS

Project Celebration participates in federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, Project Celebration may be required to reimburse the grantor government. Management believes that disallowed expenditures, if any, based on subsequent audits, will not have a material effect on Project Celebration's overall financial position.

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JAY H. SHEFFIELD, CPA

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Project Celebration, Inc.
Many, Louisiana 71449

We have audited the financial statements of the Project Celebration, Inc., as of and for the year ended June 30, 2000, and have issued our report thereon dated December 14, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Project Celebration's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Project Celebration's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatement in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Project Celebration's management and the Legislative Auditor of the State of Louisiana and is not intended to be, and should not be, used by anyone other than the specified parties.

Hines, Jackson & Hines

Natchitoches, Louisiana

December 14, 2000

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 2000.

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/Partial Corrective Action Taken</u>
98-1	6/30/1998	Louisiana state statutes require Project Celebration to submit its audit report to the Louisiana Legislative Auditor within six months of its year end. For the year ended June 30, 1999, the audit report was not completed and submitted within the six-month time frame.	Yes	This finding has been resolved.

SCHEDULE 2

PROJECT CELEBRATION, INC.
MANY, LOUISIANA
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED
JUNE 30, 2000

<u>Ref. No.</u>	<u>Description of Finding</u>	<u>Correct Action Planned</u>	<u>Name(s) of Contact Person(s)</u>	<u>Anticipated Completion Date</u>
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Nothing came to our attention that would require disclosure under Government Auditing Standards.